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U.S BANKRUPTCY COURT
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
VOYAGER DIGITAL HOLDINGS, INC. *et al.*,[1]	Case No. 22-10943 (MEW)
Debtors.	(Jointly Administered)
	Re: Docket No. 496 and 498

Alfred Gentilini's OBJECTION TO SECOND AMENDED
JOINT PLAN OF VOYAGER DIGITAL HOLDINGS, INC. And FIRST
AMENDED DISCLOSURE STATEMENT
RELATING TO THE SECOND AMENDED JOINT PLAN OF VOYAGER
DIGITAL HOLDINGS, INC.

1. All claims in class 3 are not being treated equally. some are being converted to cash and this will discriminate on certain creditors with tax liabilities so they receive less recover as other creditors in the same class

2.Class 3 Account holders that hold VGX tokens will not be getting fair market value as other crypto currency are receiving so this would make some account holders get a large less percentage recover then other account holders depending what crypto currency the person holds in there account.

3. Class 4 should not be allowed to vote as they are receiving zero recovery in this plan and are deemed to reject

Thank you Alfred Gentilini, Account holder Class 3

AG 10-7-2022

More specifically, the Proposal contemplates a "two-pronged" transaction structure:

- AlamedaFTX purchases Voyager's cryptocurrency assets and cryptocurrency loans at "fair market value," moves the ***cryptocurrency*** into its own account, and moves the ***cash value*** of such assets and loans onto FTX's platform for distribution to customers.
- Customers can elect to open an account with FTX and receive their "share" of the cash through an FTX account. **No customer will be made whole under the Proposal, nor will any cryptocurrency be returned to customers under the Proposal.**

The Proposal harms customers (but benefits AlamedaFTX) for many reasons, including:

VOyagers lawers
Agree with my objections

- First, the way in which the AlamedaFTX Proposal was made chills bidding and undermines efforts to maximize value that are inherent in a competitive process.
- Second, the cover letter attached to the Proposal suggests that AlamedaFTX believes customer claims based on cryptocurrency investments are "capped" at the U.S. dollar value of those investments on July 5, 2022. Voyager disagrees with the premise of AlamedaFTX's cover letter, and Voyager's proposed stand-alone plan is clear that customer claims are not "capped."
- Third, the Proposal requires converting and paying cryptocurrency claims in U.S. dollars. But it ignores the tax consequences of the transaction—customers may have to pay capital gains or other tax on distributions, diluting their recovery. By contrast, Voyager's stand-alone plan, as proposed, does not aim to dollarize customer claims.
- Fourth, the Proposal would effectively eliminate the VGX token, which Voyager believes would destroy in excess of $100 million in value immediately.
- Fifth, the Proposal declares that there is no value in the Voyager platform and intellectual property, but simultaneously requires a downward price adjustment if Voyager chooses to keep it and sell it to a third party, which makes no sense.
- Sixth, the Proposal burdens Voyager (and customers) with both migration and wind-down expenses, while requiring customers to set up an account on the FTX platform.

More generally, the Proposal contemplates customers "choosing" to receive cash from FTX or retain their claims. But that could create chaos in the process and seriously disadvantage customers who choose not to participate in what Voyager believes a value-weaking proposition. Voyager's ability to reorganize on its own or to consummate a transaction for the remainder of the company to maximize value for all would be at a minimum, stuck in limbo, and potentially forever sacrificed. This problem is exacerbated by the fact that FTX US does not support the majority of the coins offered on Voyager.

The Proposal also makes several false and misleading assertions.

- First, AlamedaFTX states that it will "write-off" its $75 million loan in an effort to provide additional recovery to customers. Voyager believes that AlamedaFTX's loan

Re: July 22, 2022, Press Release by Alameda and FTX

On July 5, 2022, Voyager filed a proposed stand-alone Plan of Reorganization that would reorganize the company, return to customers all of their cash and as much of the cryptocurrency they placed on Voyager's platform as possible as promptly as possible, and provide customers additional recovery in he form of both the equity of reorganized Voyager and any recovery against Three Arrows Capital.[1] In parallel, Voyager has engaged with more than 80 third-party investors or buyers to determine whether there is an alternative transaction that would be better for customers than the stand-alone Plan. On July 21, 2022, Voyager filed a Bidding Procedures Motion seeking to thoroughly and promptly compete that process.[2]

The day after Voyager filed its Bidding Procedures Motion, one of Voyager's competitors and largest stakeholders, Alameda Ventures Ltd. and FTX Trading Ltd. (together, "AlamedaFTX") issued a press release[3] attaching a proposal simultaneously e-mailed to Voyager (the "Proposal"). AlamedaFTX's cover letter openly disparaged Voyager, and the statements AlamedaFTX made to the public about its proposal are, at best, highly misleading.

Voyager will entertain any serious proposal made pursuant to the Bidding Procedures described in its Motion. It seems clear, however, that AlamedaFTX's Proposal, which was made in contravention of the proposed Bidding Procedures, was designed to generate publicity for itself rather than value for Voyager's customers.

Hopefully customers understand that public dissemination of proposals that subvert a coordinated, confidential, competitive bidding process can have the effect of chilling bidding. AlamedaFTX's actions are <u>not</u> value maximizing. Nevertheless, since the Proposal is now public, we encourage all of our creditors and customers to read it. Really read it. And understand it with the benefit of the following analysis. The AlamedaFTX proposal is nothing more than a liquidation of cryptocurrency on a basis that advantages AlamedaFTX. It's a low-ball bid dressed up as a white knight rescue. To anyone who reads the Proposal even in a cursory way, it will be obvious that the stand-alone Plan that Voyager filed is capable of delivering far more value to customers than the AlamedaFTX proposal—which transfers significant value to AlamedaFTX, and completely eliminates the value of assets that are of no interest to AlamedaFTX.

AlamedaFTX essentially proposes a liquidation where FTX serves the role of liquidator. The "fair value" of Voyager's cryptocurrency assets and loans is subject to negotiation with AlamedaFTX. The Proposal requires converting customer cryptocurrency claims into U.S. dollars based on prices as of July 5, 2022 and paying cryptocurrency claims in U.S. dollars, with customers bearing the tax consequences associated with dollarizing and liquidating their claims.

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1 *Joint Plan of Reorganization of Voyager Digital Holdings, Inc., and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [U.S. Bankruptcy Court for the Southern District of New York, Case No. 22-10943 (MEW), Docket No. 17] (the "<u>Plan</u>")

2 *Motion Seeking Entry of an Order (I)Approving the Bidding Procedures and Related Dates and Deadlines, (II) Scheduling Hearings and Objection Deadlines With Respect To the Debtors' Sale, and (III) Granting Related Relief* [U.S. Bankruptcy Court for the Southern District of New York, Case No. 22-10943 (MEW), Docket No. 126] ("the <u>Bidding Procedures Motion</u>")

3 <u>https://www.prnewswire.com/news-releases/ftx-proposes-joint-plan-to-offer-early-liquidity-to-voyager-digitals-customers-in-bankruptcy-proceeding-301591902.html</u>